

## Technical Cooperation Document

### I. Basic Information for TC

▪ Country/Region:	EL SALVADOR
▪ TC Name:	IDB CLIMA - Climate resilience and Strengthening Education Pathways
▪ TC Number:	ES-T1407
▪ Team Leader/Members:	Melendez Aparicio, Karla Maria (CSD/CCS) Team Leader; Alfonso, Mariana (CSD/CCS) Alternate Team Leader; Brusa, Federico (CSD/CCS) Alternate Team Leader; Maragall, Juan Ernesto (SCL/EDU) Alternate Team Leader; Lemos Alves Dos Santos Helder (CSD/CCS); Ortiz Ramirez Tania Ruth (CID/CES); Bos, Maria Soledad (SCL/SCL); Ortiz De Zarate Maria Laura (CSD/CCS); Lopez Torres Ana Marcela (SCL/EDU); Carias Flores Sara Hilda (CSD/CCS); Medeiros, Eduardo (CSD/CSD); Gomez, Juan Carlos (CSD/CCS); Gomez Gomez De La Torre Mar (CSD/CCS); Sierra Tabora Clara Rocio (CSD/CCS); Landazuri-Levey, Maria C. (LEG/SGO); Angulo Henriquez Daniella Andreina (CSD/CCS)
▪ Taxonomy:	Operational Support
▪ Operation Supported by the TC:	ES-J0002, ES-L1167
▪ Date of TC Abstract authorization:	04 Dec 2024.
▪ Beneficiary:	Republic of El Salvador
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Sustainability(W2A)
▪ IDB Funding Requested:	US\$400,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	February, 2025
▪ Types of consultants:	Firms and Individual Consultants
▪ Prepared by Unit:	CSD/CCS-Climate Change Solutions Division
▪ Unit of Disbursement Responsibility:	CID/CES-Country Office El Salvador
▪ TC included in Country Strategy:	Yes
▪ TC included in CPD:	No
▪ Alignment to the Update to the Institutional Strategy 2024-2030:	Social inclusion and equality; Productivity and innovation; Environmental sustainability; Biodiversity, natural capital, and climate action; Social protection and human capital development; Sustainable, resilient, and inclusive infrastructure

### II. Description of the Associated Loan/Guarantee

- 2.1 This Technical Cooperation (TC) is designed to support the operation ES-L1167 *“Program to consolidate complete educational trajectories and their climate change resilience”* selected as the IDB CLIMA pilot program for El Salvador (currently under preparation). The general objective of the operation is to consolidate complete educational trajectories by improving the resilience of educational services to climate change. The specific objectives are: (i) to increase the education supply resilient to climate change, with an emphasis on early childhood and secondary education levels;

(ii) to improve administrative and pedagogical practices, guarantee access to quality educational resources, and strengthen an inclusive education supply for people with disabilities; (iii) to diversify the educational supply to attend to the needs of the migrant population; and (iv) to strengthen educational management capacities, including those that incorporate mitigation and adaptation measures to climate change (development of a project portfolio, and monitoring and reporting of impact), contributing to strengthening the country's conditions to access to climate finance.

- 2.2 While the Government of El Salvador aims at improving the quality and quantity of the supply of educational services in a climate-resilient manner, it faces other challenges related to: (i) significant gaps in the education supply which limit the uninterrupted provision of educational services, (ii) low-quality teaching and inequity in access to the services; (iii) a high number of returning migrant children that face challenges in terms of schooling reintroduction; and (iv) MINEDUCYT's limited management capabilities. Therefore, the project will support the expansion of the education supply and an improvement in educational quality. Education supply will be expanded by widening capacity and adapting educational infrastructure to reduce educational interruptions due to extreme climate events and render them resilient to climate change. Policies for the efficient use of educational infrastructure will be implemented to expand enrollment, and programs for alternative educational modalities will be expanded. Furthermore, capacity-building efforts towards managers and teachers in terms of pedagogical practices will be implemented to strengthen educational trajectories and improve the quality of the service, including actions for people with disabilities, young mothers, and the returning migrant population. Finally, the MINEDUCYT and the DOM will improve systems and practices, and assemble technical teams for the planification, execution and monitoring of the infrastructure and educational programs, ensuring an inclusive, equitable, and resistant to climate threats.
- 2.3 The IDB has extensive experience in the El Salvadorian educational sector. The operative work and knowledge of the Bank in El Salvador has been fundamentally focused in two areas: the strengthening of educational pathways focusing on improving education coverage and quality (childhood and secondary education levels); and the strengthening of information and management of educational systems (SIGED). In 2020, the IDB approved the CCLIP ES-O0008 "Building human capital: Birth, Growth and Learning" (US\$250 million). The first operation approved under this CCLIP was ES-L1139 "Improving Educational Coverage and Quality" (\$US100 million). This operation intends to increase access to education through infrastructure development and fostering alternative educational pathways. Furthermore, the technical cooperations ATN/OC-18085-ES, ATN/OC-20128-ES and ATN/OC-20718-ES have given support to developing life skills training, educational supply capacity studies of the country and the design of an impact evaluation from lesson learned.

### **III. Objectives and Justification of the TC**

- 3.1 This technical cooperation has the objective of support the IDB CLIMA pilot program in El Salvador, with the strengthening of the Ministry of Education, Science and Technology (MINEDUCYT) and the Municipality Works Entity (DOM), as well as support with feasibility studies. The IDB CLIMA Pilot Program aims to encourage sector-driven investments to help facilitate access for sovereign borrowers to green thematic capital markets. To achieve this objective, IDB CLIMA offers a reward to borrowers who achieve successful results through sectoral investments measured through Key Performance Indicators that: (i) reduce development gaps and at the

same time generate impact in terms of biodiversity and climate; (ii) strengthen the sector's capacities to develop portfolios of sectoral projects that include climate and/or biodiversity considerations; and (iii) strengthen sector-driven biodiversity and climate monitoring, reporting and verification systems to comply with international climate, biodiversity and thematic green debt standards.

- 3.2 El Salvador faces challenges in human capital development, with notable deficiencies in learning and incomplete educational trajectories. In the 2022 PISA test, the country was among the lowest performers in mathematics in LAC, with 89% of its students performing poorly compared to 75% in LAC. This poor performance was more pronounced among the poorest, with 98% at the lowest performance level. In 2019, the ERCE test showed a similar situation, with 57.8% of 6th-grade students at the lowest performance level compared to 49.2% in the region. The study also confirms a significant association between performance and the socioeconomic level of families in El Salvador. Additionally, school survival rates are among the lowest on the continent, with only 43% of the country's students completing their educational trajectory up to high school, below the Latin American average (65%).
- 3.3 While there are various causes contributing to these learning gaps and incomplete educational trajectories, some of the main determinants are: significant deficits in the school supply that affect the continuous provision of educational services. In the first grade, 13.3% of students enter without having attended kindergarten, and there is a 10% deficit in kindergarten places and a 28% deficit in places for the transition from sixth grade to secondary school. This supply deficit is closely linked to limitations in school infrastructure, which is insufficient, inadequate, and, in many cases, deteriorated. Many educational facilities are built with materials not adapted to climate change, which negatively impacts learning conditions.
- 3.4 This challenge is exacerbated by projections of temperature increases of 1-2°C by 2050. Additionally, climate emergencies, which are frequent in a country highly vulnerable to climate change, cause regular interruptions to classes, for example, from 2022 to 2024 nine extreme hydrometeorological weather events took place, which forced the suspension of 21 days of classes and damaged 1,279 schools. The planning of educational investments does not integrate factors associated with climate change, particularly regarding the climate resilience of infrastructure.
- 3.5 Another significant obstacle is the limited management capacity of MINEDUCYT to the development of an effective, learning-oriented educational policy. This weakness in educational management is exacerbated by the lack of a robust system to measure the impacts of climate change and design mitigation and adaptation strategies. The absence of monitoring, evaluation, and reporting mechanisms not only hinders compliance with international standards but also restricts the country's access to climate financing, such as green debt markets, thus limiting its capacity to strengthen the resilience of the educational system to environmental challenges.
- 3.6 The IDB has designed an Assessment Questionnaire to evaluate the capacity gaps of borrowers in: (i) integrating climate change and biodiversity into their sectoral investments; (ii) identifying and designing large-scale nature and/or climate positive sectoral investments; and (iii) conducting climate and/or biodiversity monitoring and reporting efforts. The Assessment Questionnaire will be complemented by a Roadmap, jointly developed between the IDB team and the borrower, to identify priority areas of intervention for strengthening the borrower's capacities to meet the general and specific objectives of the IDB CLIMA Pilot Program. The roadmap will help design

interventions in a way that is better tailored to the country's needs, priorities, and capacities, as well as precisely define the necessary studies and activities to strengthen the country's sectoral and/or national capacities.

- 3.7 In that sense, this TC will address the barriers to incorporate climate and biodiversity considerations into development financing, namely: (i) lack of specialized sectoral knowledge on the development of climate and nature-positive projects that address specific development challenges (this gap translates into a lack of capacity to formulate policies and investments that integrate these dimensions); (ii) lack of sectoral motivation to incorporate climate and biodiversity aspects, which hinders the identification and design of investments at the necessary scale to meet national targets, making it difficult to issue green and thematic debt (for example, due to a lack of clear mandates in terms of climate change, and the absence of strategies and guidelines for climate financing and investment); and (iii) lack of capacities to monitor, report, and verify the impacts of climate and biodiversity actions in line with international requirements and green and thematic debt markets (for example, due to a lack of active monitoring of climate interventions in terms of budget and management systems). Monitoring and reporting systems have limitations in the quantity, quality, and frequency of data.
- 3.8 The studies developed within the framework of this TC will help generate more evidence to address these knowledge gaps and identify effective strategies to incentivize access to thematic markets and attract concessional financing.
- 3.9 The TC is aligned with the IDB Group Institutional Strategy: "Transforming for Scale and Impact" (CA-631) through the objectives of reducing poverty and inequality, as it seeks to strengthen educational trajectories and increase climate resilience, and climate change action by building green and climate resilient infrastructure. The operation also aligns with the IDB Group Country Strategy with El Salvador (2021-2024) (GN-3046), as it aims at reducing social vulnerability incorporating institutional capacity, climate change, environmental sustainability, and natural disaster aspects. This TC is aligned with the objectives of the Ordinary Capital Strategic Development program for Sustainability (OC-SDP for Sustainability, W2A) since it aims to increase knowledge and actions for the Educational System of El Salvador, based on climate change mitigation and adaptation, as well as to strengthen MINEDUCYT's capacities to manage climate disaster risks and improve emergency response mechanisms.

#### **IV. Description of Activities/Components and Budget**

- 4.1 **Component 1. Risk and Feasibility Studies of El Salvador's Educational System (US\$100,000).** The activities in this component will contribute to gathering evidence and conducting analyses to uncover a more precise understanding of local hazards within the educational system and best practices for the development of location-specific designs. These will help to determine the type of required interventions to achieve the impact needed and reach the operational objectives of ES-L1167. This component will finance consulting services to (i) conduct a diagnosis of each of the schools in the final selected list of interventions of the operation, that considers climate vulnerability and climate risk analyses based on prioritized hazards according to each specific region where the schools are located, on the spot and on the nearest surroundings, and (ii) identify a group of measures of interventions needed to mitigate these risks and render the infrastructure more resilient to climate change.

- 4.2 **Component 2. Institutional Capacity Strengthening (US\$200,000).** The activities in this component will help to strengthen the management capacities of the Executing Agencies to develop and implement the IDB CLIMA pilot project, in line with the capacity gaps identified with the application of the IDB CLIMA Assessment Questionnaire. This component will finance consulting services to make the analysis needed to introduce climate resilience management into the institutions strengthening component IV of the ES-L1167, through: (i) the creation of a climate change institutional framework and strategy for MINEDUCYT and DOM, that takes into account climate change scenarios into decision making for investments, climate risk management and resilient educational system, (ii) the establishment of metrics and methods for continuous monitoring and evaluation of the impact and progress of the pilot project, and (iii) the provision of comprehensive training sessions, workshops and seminars to enhance technical knowledge and practical skills related to the Roadmap.
- 4.3 **Component 3. Other necessary studies to reach the General Objective of the operation (US\$100,000).** The activities in this component will help ensure meeting the operation's objectives (and continuously improve the project) and strengthen the IDB CLIMA Pilot Program by illustrating the important link between climate change and education. Activities under this component will finance consulting services for specific support related to the alignment of this operation with the IDB CLIMA Pilot Program and dissemination and training workshops for strengthening the Assessment Questionnaire and Roadmap, setting goals and indicators, and initial reporting efforts. The results of the studies will support the KPIs and their targets.
- 4.4 The total estimated cost of this operation is US\$400,000, which will be financed with resources from Window 2 (W2A – Sustainability) of the Ordinary Capital Strategic Development Program (OC SDP).

**Indicative Budget (US\$)**

<b>Activity/Component Description</b>	<b>IDB Funding</b>	<b>Total</b>
<b>Component 1. Risk and Feasibility Studies on El Salvador's Educational System</b>	<b>100,000</b>	<b>100,000</b>
Analyses of schools' climate risks	60,000	
Report of intervention measures to address risks	40,000	
<b>Component 2. Institutional Capacity Strengthening</b>	<b>200,000</b>	<b>200,000</b>
Climate change institutional framework and strategy	80,000	
Project monitoring system	80,000	
Workshops to enhance technical knowledge	40,000	
<b>Component 3. Other necessary studies to reach the general objective of the operation</b>	<b>100,000</b>	<b>100,000</b>
Total	<b>400,000</b>	<b>400,000</b>

## **V. Executing Agency and Execution Structure**

- 5.1 At the request of the beneficiaries, and in line with the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4), the Bank, through the Climate Change Division (CCS), will act as the Executing Agency (EA) for this TC since the requesting entity does not have the necessary technical, operational and institutional capacity to duly and timely execute the activities needed; on the contrary the Bank has substantial experience with the development of operational support activities tied to climate change and integration of results within the IDBG project origination and execution activities. Given the Bank's proven track-record in developing operational and institutional capacity-building activities, and that this TC supports an operation that is the

first IDB CLIMA pilot project in El Salvador, the Bank will execute this TC and carry out all contract-related activities, as stated in the guidelines and requirements established in the Technical Cooperation Policy (GN-2470) and in the TC Operational Guidelines, annex II, paragraph 2.2, subparagraph i. (GN-619-4). The Bank is considered to have the adequate systems to guarantee the proper execution of the operation and ensure the sustainability of the implementation of the project in line with the “Operational Guidelines for Technical Cooperation Products” (OP-619-4). Additionally, the Climate Change Division of the IDB (CSD/CCS) will coordinate with other IDB Group departments and liaise with other key initiatives and stakeholders involved in the design, implementation, and financing of IDB-CLIMA pilot projects. Supervision will be carried out by the CSD/CCS Team Leader.

- 5.2 CSD/CCS has substantial experience in developing climate change-related operational support, as well as integrating climate results and goals into the IDB Group’s project origination and execution activities. The Bank has substantial experience supporting the design of mitigation and adaptation activities to support operations in different sectors, as well as creating financial solutions to mobilize blended finance and leverage private capital to address challenges related to nature preservation and climate action. These experiences include work on resilient infrastructure guidelines, disaster risk management frameworks, on debt-for-nature swaps, currency hedging strategies, green financial taxonomies, issuances of green use-of-proceeds and sustainability-linked bonds, and the first sovereign sustainability-linked bond (SSLB) that includes a discount mechanism. The IDB CLIMA Pilot Program, in particular, builds on IDB research results obtained through operations ATN/AC-18245-RG, ATN/OC-18246-RG, and ATN/MC-18254-RG.
- 5.3 The Bank is considered to have the adequate systems to guarantee the proper execution of the operation and ensure the sustainability of the implementation of the project in line with the “Operational Guidelines for Technical Cooperation Products” (OP-619-4). The activities financed through this TC correspond to the eligible areas under these Guidelines as they involve (i) “the preparation, financing, and execution of development plans and projects”, and (ii) the “development and advanced training of personnel”. CSD/CCS will be responsible for the technical supervision and administration of this operation, with the support of other specialists from the Social Sector and Education Division, Infrastructure and Energy Sector and Capital Markets and Financial Institutions Divisions. Specifically, the execution and supervision of this CT, as well as the achievement of the established objectives, will be the responsibility of the CSD/CCS Specialist from the Country Office in El Salvador, with the support of the IDB CLIMA team. Likewise, coordination will be carried out with MINEDUCYT and DOM to designate specific focal points in charge of accompanying the development of the CT.
- 5.4 The principal functions and responsibilities of the IDB will be: (i) to prepare the work plan and supervise the schedule of activities; (ii) to carry out the financial administration of the project; (iii) to coordinate the preparation of the Terms of Reference of the consultancies to be contracted and to carry out the selection and contracting of the required consultancy services; (iv) to prepare reports on the progress of the project; and (v) to prepare and update the Procurement Plan (PA).
- 5.5 All activities to be executed under this TC have been included in the Procurement Plan (Annex IV) and will be executed in accordance with the Bank’s established procurement methods, namely: (i) hiring of individual consultants, as established in the Complementary Workforce Document (AM-650); and (ii) contracting of services in accordance with the Institutional Procurement Policy (GN-2303-33) and its associated

guidelines. The Bank will oversee the consulting services. This will ensure the delivery of high standards reports and ensure adherence to the project's objectives. Additionally, the Bank will actively coordinate with relevant institutions to facilitate effective stakeholder engagement.

## **VI. Important Risks**

- 6.1 Three main risks are identified: (i) the complexity of the objectives of the IDB CLIMA Pilot Program could make it difficult to accurately assess the capacities and the corresponding strengthening needed to meet the objective of the IDB CLIMA Pilot Project, which trigger the reward, within the designated time frame and budget; (ii) the strengthening of MINEDUCYT's capacities could be slower than expected, considering the need to develop a multi-sector coordination instance to properly execute this operational support TC, which would slow down progress on the IDB CLIMA Roadmap; and (iii) difficulties associated with the implementation of the credit operation and the complexity of working with two execution agencies could represent some challenges during the design of the operation related to responsibilities.
- 6.2 The mitigation measures foreseen are: (i) to have the direct support of the IDB CCS team throughout the execution of the project and to leave flexibility as part of the design and implementation to address areas of strengthening not identified during the initial evaluation; (ii) to support investments in human capital from the TC, including within other ministries, and to foresee adequate capacity transfer processes; and (iii) a close monitoring of project milestones and clear and frequent communication will help address any coordination issues. Finally, the knowledge products developed through this TC will also help address the knowledge gaps of the IDB CLIMA Roadmap in a timely manner that contributes to the successful conclusion of the pilot project.

## **VII. Exceptions to Bank policy**

- 7.1 This operation does not anticipate any exceptions to IDB policies.

## **VIII. Environmental and Social Aspects**

- 8.1 This Technical Cooperation is intended to finance prefeasibility, or feasibility studies of specific investment projects and the environmental and social studies associated with them; therefore, the terms of reference and products of this TC are consistent with the applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

### **Required Annexes**

[Request from the Client\\_93448.pdf](#)

[Results Matrix\\_24257.pdf](#)

[Terms of Reference\\_762.pdf](#)

[Procurement Plan\\_32004.pdf](#)